

Dated 12 April, 2010

ISIN NO0010571490

Frontline Ltd

(Borrower)

and

Norsk Tillitsmann ASA

(Loan Trustee)

LOAN AGREEMENT

on behalf of

the Bondholders

in the bond issue

US\$225,000,000 4,50 per cent Frontline Ltd

Convertible Bond Issue 2010/2015

Ref: 1165211

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This agreement (the “**Loan Agreement**”) has been entered into on 12 April, 2010 **between:**

- (1) **Frontline Ltd** (Bermuda Company No 17460) as borrower (the “**Borrower**”) and
- (2) **Norsk Tillitsmann ASA** (Norwegian Company No 963 342 624) as loan trustee (the “**Loan Trustee**”).

The initial subscribers to the Bonds (and thus the providers of the Loan) have all authorised the Loan Trustee to enter into this Loan Agreement on their behalf.

The main terms hereof have been made available to each such initial subscriber as the basis for its subscription for the Bonds and the authorisation referred to above.

Any subsequent acquiror of the Bonds will be bound by this Loan Agreement to the same extent as the initial subscribers.

The Loan Agreement shall be made available to the public on request and may be obtained directly from the Loan Trustee or from the Borrower throughout the entire term of the Loan.

1 Definitions

Whenever used in this Loan Agreement the following terms shall have the following meaning:

“**Account Manager**” means a Bondholder’s account manager in the Securities Depository.

“**Additional Shares**” means as described in clause 14.12.

“**Attachment**” means any attachments or appendices to this Loan Agreement.

“**Banking Day**” means a day when the Securities Depository and the Norwegian Central Bank’s Settlement System are open and when Norwegian banks can settle foreign currency transactions.

“**Bondholders**” mean the holders of the Bonds.

“**Bonds**” mean bonds in the Loan, as described in clause 2.1.

“**Borrower’s Bond(s)**” mean Bond(s) in the Remaining Loan, owned by the Borrower or any of its (direct or indirect) Subsidiaries.

“**Call Option**” means as described in clause 10.2.

“**Cash Dividend**” means as described in clause 14.3.

“**Change of Control Conversion Date**” means the date falling ten (10) Banking Days after a Bondholder has given a notice of conversion following the occurrence of a Change of Control Event.

“**Change of Control Conversion Period**” means the period commencing on the date on which a Change of Control Event occurs and ending sixty (60) calendar days following such date or, if later, sixty (60) calendar days following the notification of a Change of Control Event (cf. clause 16.1.9).

“**Change of Control Conversion Price**” shall have the meaning given in clause 10.3.

“**Change of Control Event**” means if and when, subsequent to the date hereof, a shareholder of the Borrower or a group of shareholders acting in concert, directly or indirectly acquire (including by purchase, merger etc.) or have the right to cast, at a

general meeting of the shareholders of the Borrower, more than 50 per cent of the votes that may ordinarily be cast in a general meeting of shareholders of the Borrower (cf. section 1-3 of the Norwegian Public Limited Liability Companies Act).

“Conversion Date” means the date falling fifteen (15) Banking Days after the Paying Agent has received an exercise notice pursuant to clause 13.4.

“Conversion Period” means the entire term of the Loan, subject to the Conversion Right being exercised within the Exercise Period.

“Conversion Price” means USD39.0 per Share, subject to adjustments as provided in clauses 14 and 15.

“Conversion Right” means the right of each Bondholder to convert each Bond into Shares at the Conversion Price in effect on the relevant Conversion Date. Based on the initial Conversion Price, each Bond will convert into 2,564 Shares, subject to clauses 13, 14 and 15.

“Current Market Price” means as described in clause 14.15.

“Date of Pricing” means 26 March, 2010.

“Dealing Day” means as described in clause 14.15.

“Decisive Influence” means the ability to control the affairs or policies of an entity, whether by contract, by the possession of (majority) voting control in such entity’s general meeting or by the ability to appoint the majority of the board of directors or other relevant governing body of such entity.

“Disbursement Date” means 14 April, 2010.

“Dividend” means as described in clause 14.15.

“Event of Default” means each event or circumstance defined as an event of default in clause 18.1.

“Exchange” means a securities exchange or other reputable market place for securities having satisfactory requirements as to listing and trading, where the Bonds and/or the Shares are listed or to which an application for listing of the Bonds and/or the Shares has been submitted.

“Exercise Period” means the period commencing on the 41st Banking Day following the Disbursement Date and ending on the tenth (10) Banking Day prior to the Maturity Date or, if earlier, the fifteenth (15) Banking Day prior to the date for redemption of the Bonds pursuant to clause 10.2 (both days inclusive).

“Fair Market Value” means as described in clause 14.15.

“Finance Documents” means (i) this Loan Agreement, (ii) the fee agreement according to clause 17.1, and (iii) any other document which is executed at any time by the Borrower in relation to any amount payable under this Loan Agreement.

“Financial Indebtedness” means any indebtedness for or in respect of:

- (A) moneys borrowed;
- (B) any amount raised by acceptance under any acceptance credit facility;

- (C) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (D) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with US GAAP, be treated as a finance or capital lease;
- (E) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (F) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (G) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);
- (H) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (I) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (A) to (H) above.

“Financial Statements” means the audited unconsolidated or, as the case may be, consolidated annual accounts and financial statements of the Borrower for any financial year, drawn up according to GAAP, such accounts to include a profit and loss account, balance sheet, cash flow statement and report from its board of directors.

“Fixed Rate of Exchange” means USD 1 = NOK 6.0448 (the USD: NOK official spot rate of exchange provided by Bloomberg on the Date of Pricing).

“GAAP” means the relevant accounting policies that apply to the Borrower, currently the Generally Accepted Accounting Principles in the United States.

“Group” means the Borrower and its (direct and indirect) Subsidiaries.

“Independent Financial Adviser” means as described in clause 14.15.

“Interest Payment Date” means as described in clause 9.1.

“Interest Period” means as described in clause 9.2.

“Lead Managers” mean ABG Sundal Collier Norge ASA, Arctic Securities ASA, and Deutsche Bank AG, London Branch.

“Loan” means the aggregate nominal value of the Bonds on the Disbursement Date.

“Market Price” means the Volume Weighted Average Price of a Share on the relevant Reference Date, provided that if any Dividend or other entitlement in respect of the Shares is announced on or prior to the relevant Conversion Date in circumstances where the record date or other due date for the establishment of entitlement in respect of such dividend or other entitlement shall be on or after the Conversion Date and if, on the relevant Reference Date, the Volume Weighted Average Price of a Share is based on a price ex-Dividend or ex-any other entitlement, then such price shall be increased by an amount equal to the Fair Market Value of such dividend or entitlement per Share as at the

date of first public announcement of such Dividend or entitlement (or if that is not a Dealing Day, the immediately preceding Dealing Day).

“Material Adverse Effect” means a material adverse effect in the reasonable opinion of the Loan Trustee on: (a) the business, financial condition or assets of the Group taken as a whole, and/or (b) the Borrower’s ability to perform and comply with its obligations under this Loan Agreement.

“Material Subsidiary” means:

- (a) a Subsidiary of the Borrower (other than Independent Tankers Corporation Limited) the total assets and total revenue of which (unconsolidated where that Subsidiary itself has Subsidiaries) as at the date as at which its latest financial statements were prepared or, as the case may be, for the financial period to which those financial statements relate account for 10 per cent. or more of the consolidated total assets and total revenue of the Group (all as calculated by reference to the latest audited consolidated financial statements of the Group); or
- (b) a Subsidiary of the Borrower to which it has been transferred (whether in a single transaction or a series of transactions (whether related or not)) the whole or substantially the whole of the assets of a Subsidiary which immediately prior to such transaction(s) was a Material Subsidiary.

For the purposes of this definition:

- (i) if a Subsidiary becomes a Material Subsidiary under paragraph (b) above, the Material Subsidiary by which the relevant transfer was made shall, subject to paragraph (a) above, cease to be a Material Subsidiary; and
- (ii) if a Subsidiary is acquired by the Borrower after the end of the financial period to which the latest audited consolidated financial statements of the Group relate, those financial statements shall be adjusted as if that Subsidiary had been shown in them by reference to its then latest audited financial statements until audited consolidated financial statements of the Group for the financial period in which the acquisition is made have been prepared.

“Maturity Date” means 14 April, 2015.

“NOK” means Norwegian kroner, the lawful currency of Norway.

“Non-Cash Dividend” means as described in clause 14.3.

“Oslo Stock Exchange” means Oslo Børs.

“Outstanding Loan” means Remaining Loan less Borrower’s Bonds.

“Paying Agent” means the entity appointed by the Borrower to act on behalf of the Borrower as paying agent and conversion agent.

“Payment Date” means in relation to the Loan, the dates specified for payment of interest or principal. If a Payment Date is not a Banking Day, payments shall be made the following Banking Day, but no additional or further amounts shall be paid in respect of such postponement.

“Prevailing Rate” means as described in clause 14.15.

“Quarter Date” means each 31 December, 31 March, 30 June and 30 September.

“Quarterly Financial Reports” means the unaudited consolidated financial statements of the Borrower as of each Quarter Date, such accounts to include a profit and loss account, balance sheet, cash flow statement and management commentary.

“Reference Date” means as described in clause 14.12.

“Reference Price” means USD 29.7784 per Share (being the Volume Weighted Average Price of a Share on the Oslo Stock Exchange between launch and pricing, converted at the Fixed Rate of Exchange), always provided that, in connection with any determination of the Change of Control Conversion Price, the Reference Price shall be adjusted in accordance with the provisions relating to the adjustment of the Conversion Price.

“Relevant Indebtedness” means any indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market.

“Relevant Stock Exchange” means as described in clause 14.15.

“Remaining Loan” means the aggregate principal amount of all Bonds outstanding in the Loan at any time (being equal to the Loan less the principal amount of Bonds redeemed by the Borrower or converted into Shares by such time).

“Retroactive Adjustment” means as described in clause 14.12.

“Securities” means as described in clause 14.15.

“Securities Depository” means the Norwegian Registry of Securities.

“Securities Registration Act” means the Norwegian act on the registration of financial instruments (the Securities Registration Act) of 5 July, 2002 Nr. 64.

“Shareholders” means holders of Shares.

“Shares” means fully paid ordinary shares of the Borrower, with par value USD 2.50, currently listed on the New York, London and Oslo Stock Exchange including such ordinary shares of the Borrower which, pursuant to the terms and conditions of this Loan Agreement, shall be issued following any Bondholder’s exercise of its Conversion Right.

“Specified Date” means as described in clause 14.7 or, as the case may be, clause 14.8.

“Specified Share Day” means as described in clause 14.15.

“Spin-Off” means as described in clause 14.15.

“Spin-Off Securities” means as described in clause 14.15.

“Subsidiary” means an entity which is a subsidiary as defined in the Companies Act 1981 (as amended) of Bermuda.

“USD” and **“US\$”** means the lawful currency of the United States of America.

“Volume Weighted Average Price” means as described in clause 14.15.

2 The Loan

- 2.1** The Borrower has resolved to issue a convertible loan in the amount of USD 225,000,000 (USD two hundred and twenty-five million) through the issue of 2,250 bonds, each with a denomination of USD 100,000 (the **“Bonds”**).

- 2.2 The subscription of the Bonds was managed by the Lead Managers.
- 2.3 The Loan will be identified as “4.50 per cent Frontline Ltd Convertible Bond Issue 2010/2015”.
- 2.4 The registration number (ISIN) of the Loan will be NO0010571490.
- 2.5 The term of the Loan is from and including the Disbursement Date to the Maturity Date, or earlier if all of the Bonds are redeemed prior to the Maturity Date following (i) the Bondholders’ exercise of their Conversion Right, (ii) the Borrower’s exercise of the Call Option, and/or (iii) otherwise pursuant to the terms and conditions set forth herein.
- 2.6 The net proceeds of the Loan will be used by the Borrower for general corporate purposes.

3 Listing

The Bonds will not be listed on any stock exchange on the Disbursement Date. An application may subsequently be made for a listing of the Bonds on an Exchange at the discretion of the Borrower.

4 Registration in the Securities Depository

- 4.1 The Bonds shall be registered in the Securities Depository according to the Securities Depository Act and the conditions agreed with the Securities Depository, effective from and including the Disbursement Date.
- 4.2 The Borrower shall promptly arrange for notification to the Securities Depository of any change in the terms and conditions of the Loan. The Loan Trustee shall be provided with a copy of such notification.
- 4.3 The Borrower is responsible for the correct registration of the Bonds in the Securities Depository. The registration may be executed by an agent for the Borrower provided that the agent is qualified according to relevant regulations.

5 The functions, duties and liability of the Loan Trustee

- 5.1 The Loan Trustee shall, pursuant to this Loan Agreement, and in compliance with applicable laws and regulations, monitor the Bondholders’ interests and rights vis-à-vis the Borrower, including *inter alia*, the following functions:
 - 5.1.1 monitor the Borrower’s fulfilment of his obligations under the Loan Agreement,
 - 5.1.2 exercise necessary discretion in carrying out the duties assigned to the Loan Trustee under the Loan Agreement,
 - 5.1.3 ensure that valid decisions made at Bondholder meetings are carried out,
 - 5.1.4 make the decisions and implement the measures that are assigned to or imposed on the Loan Trustee pursuant to this Loan Agreement,
 - 5.1.5 forward to the Bondholders necessary information which is obtained and received in its capacity as the Bondholders’ representative,
 - 5.1.6 verify the timely and correct payment of interest and principal due hereunder, and
 - 5.1.7 provided the Bonds are listed on an Exchange, inform the Exchange of circumstances which are of importance to the listing, quotation and pricing of the

Bonds; however, this only applies to cases in which the Loan Trustee gains knowledge of or should have knowledge of such circumstances and the Borrower fails to fulfil its duty of information towards the Exchange after having been urged to do so by the Loan Trustee.

- 5.2** In performing its functions as the Bondholders' representative, the Loan Trustee is not obligated to assess the Borrower's financial situation or ability to service the Loan except to the extent such duty may clearly be inferred from the Loan Agreement.
- 5.3** The Loan Trustee shall not be liable for any action taken by it, or its failure to take any action, under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct. The Loan Trustee is not responsible for the content of the information the Loan Trustee has submitted on behalf of the Borrower.

6 Conditions Precedent

- 6.1** Disbursement of the Loan will be subject to the Loan Trustee having received the following documents, in form and substance satisfactory to it, at least two (2) Banking Days prior to the Disbursement Date:
 - 6.1.1** the Loan Agreement duly executed,
 - 6.1.2** certified copies of all corporate resolutions necessary for the Borrower to issue the Bonds and execute the Finance Documents,
 - 6.1.3** a power of attorney from the Borrower to relevant individuals for their execution of the Finance Documents, or other evidence of the authority of the relevant signatories to sign the Finance Documents on behalf of the Borrower,
 - 6.1.4** certified copies of the Borrower's Certificate of Incorporation and Bye-laws,
 - 6.1.5** the latest available Financial Statements and Quarterly Financial Reports,
 - 6.1.6** to the extent necessary, certified copies of authorisations required for the validity of and execution, delivery and performance by and the enforceability against the Borrower of the Loan Agreement,
 - 6.1.7** confirmation from the Paying Agent that the Loan has been registered in the Securities Depository,
 - 6.1.8** written confirmation from the Borrower that the representations and warranties are true and accurate and have been complied with as at the Disbursement Date,
 - 6.1.9** the agreement set forth in clause 17.1, duly executed,
 - 6.1.10** any written documentation made public in connection with the Loan and a confirmation from the Lead Managers that the terms of this Loan Agreement are consistent with the Term Sheet dated 26 March 2010, and
 - 6.1.11** legal opinions in a form and content acceptable to the Loan Trustee from Wiersholm, Mellbye & Bech, advokatfirma AS, Norwegian legal advisers to the Borrower and Mello Martin & Jones, Bermudian legal advisers to the Borrower.
- 6.2** Subject to the conditions set out above being met, the net proceeds of the Loan will be made available to the Borrower at the Disbursement Date.

- 6.3** The Loan Trustee is entitled to accept a delay in receiving any of the documents listed above.

7 Representations and Warranties

- 7.1** The Borrower represents and warrants to the Loan Trustee (on behalf of the Bondholders) that:

7.1.1 Status

It is a limited liability company, duly incorporated and validly existing under the laws of Bermuda, and has the power to own its assets and carry on its business as it is being conducted.

7.1.2 Power and authority

It has the power to enter into and perform, and has taken all necessary corporate action to authorise its entry into, performance and delivery of the Finance Documents to which it is or will be a party and the transactions contemplated by those Finance Documents.

7.1.3 Valid, binding and enforceable obligations

The Finance Documents constitute (or will constitute, when executed by the respective parties thereto) legal, valid and binding obligations of the Borrower, enforceable in accordance with their terms, and (save as provided for therein) no registration, filing, payment of tax or fees or other formalities are necessary or desirable to render the said documents enforceable against the Borrower.

7.1.4 Non-conflict with other obligations

The entry into and performance by it of each Finance Document to which it is a party and the transactions contemplated thereby do not and will not conflict with (i) any present law or regulation or present judicial or official order; (ii) its articles of association, by-laws or other constitutional documents; or (iii) any document or agreement which is binding on it or any of its assets.

7.1.5 No Event of Default

No Event of Default exists, and no other circumstances exist which constitute or (with the giving of notice, lapse of time, determination of materiality or the fulfilment of any other applicable condition, or any combination of the foregoing) would constitute a default under any document which is binding on it or any of its assets, and which may have a Material Adverse Effect.

7.1.6 Authorisations and consents

All authorisations, consents, licenses or approvals of any governmental authorities required for it in connection with the execution, performance, validity or enforceability of the Finance Documents to which it is a party, and the transactions contemplated thereby, have been obtained and are valid and in full force and effect. All authorisations, consents, licenses or approvals of any governmental authorities required for it to carry on its business as presently conducted and as contemplated by this Loan Agreement, have been obtained and are in full force and effect, save where the failure so to do could not reasonably be expected to have a Material Adverse Effect.

7.1.7 Litigation

No litigation, arbitration or administrative proceeding of or before any court, arbitral body or agency is pending or, to the best of the Borrower's knowledge, threatened which, if adversely determined, might reasonably be expected to have a Material Adverse Effect.

7.1.8 Financial Statements

The audited most recently published Financial Statements and Quarterly Financial Reports of the Borrower fairly and accurately represent the assets and liabilities and financial condition as at their respective dates, and have been prepared in accordance with GAAP, consistently applied from one year to another.

7.1.9 No undisclosed liabilities

As of the date of its most recently published audited consolidated Financial Statements, the Group had no material liabilities, direct or indirect, actual or contingent, and there were no material anticipated losses from any unfavourable commitments, not disclosed by or reserved against in the said Financial Statements or in the notes thereto.

7.1.10 No Material Adverse Effect

Since the date of the most recently published Quarterly Financial Report, there has been no change in the business, assets or financial condition of the Group that is likely to have a Material Adverse Effect, except as publicly announced by the Borrower in accordance with the rules of the Oslo Stock Exchange.

7.1.11 No misleading information

All documents and information which have been provided by the Borrower to the subscribers or the Loan Trustee in connection with this Bond Issue represent the latest published financial information concerning the Group, and, except as publicly announced by the Borrower in accordance with the rules of the Oslo Stock Exchange, there has been no change in the Group's financial position which could have a Material Adverse Effect.

7.1.12 Environmental compliance

The Borrower and each Group company is, to the best of the Borrower's knowledge, in all material respects, in compliance with any relevant applicable environmental law or regulation and no circumstances have occurred which would prevent such compliance in a manner which has or is likely to have a Material Adverse Effect.

7.1.13 Intellectual property

There are, to the best of the Borrower's knowledge, no third party claims (a) threatening for any infringement of the Group's patents, trade marks, service marks, designs, business names, copyrights, design rights, inventions, confidential information and other intellectual property rights and interests (whether registered or unregistered), or (b) in respect of the benefit of all applications and rights to use such assets, in each case which could have a Material Adverse Effect.

7.1.14 No withholdings

It is not required to make any deduction or withholding from any payment which it may become obliged to make to the Loan Trustee (on behalf of the Bondholders) or the Bondholders under this Loan Agreement or in respect of the Bonds.

7.1.15 Share Conversion

It will, during the term of the Loan, have the authority to issue and allot, free from pre-emption rights, sufficient Shares to enable the Conversion Right to be satisfied in full at the Conversion Price.

7.2 The representations and warranties set out in this clause 7.1, are made by the Borrower on the signing date of the Loan Agreement and on the Disbursement Date.

7.3 The Borrower shall indemnify the Loan Trustee for any economic losses suffered by the Loan Trustee or any Bondholder or Bondholders as a result of any breach of the representations and warranties made by the Borrower in clause 7.1.

8 Status of the Bonds and security

8.1 The Loan and the Bonds (including any interest accrued thereon) will constitute direct, unsecured and unsubordinated obligations of the Borrower ranking equally without any preference among themselves and ranking at least *pari passu* with all existing and future unsecured and unsubordinated obligations of the Borrower (other than in respect of any obligations preferred by mandatory provisions of applicable law).

8.2 The Loan is unsecured.

9 Interest

9.1 The Bonds bear interest from and including the Disbursement Date to but excluding the Maturity Date at a fixed rate of 4.50 per cent per annum. Interest payments shall be made quarterly in arrear in equal instalments on 14 January, 14 April, 14 July and 14 October of each year, except that the first payment of interest will be made on 14 July, 2010 in respect of the period from (and including) the Disbursement Date to (but excluding) 14 July, 2010. Each date on which interest is to be paid on the Bonds pursuant to this clause 9.1 is referred to as an “**Interest Payment Date**”. The day count fraction in respect of the Bonds is 30/360.

9.2 If interest is required to be calculated for a period of less than a complete Interest Period (as defined below), it will be calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed.

“**Interest Period**” means the period beginning on (and including) the Disbursement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

10 Maturity of the Loan, Call Option

10.1 The Loan will run without instalments and mature in whole on the Maturity Date at par (100%), unless the Bonds are previously redeemed or converted.

10.2 The Borrower may, at any time during the term of the Loan, provided that 90 per cent. or more of the Bonds issued on the Disbursement Date shall have been redeemed or purchased and cancelled, call the Remaining Loan (the “**Call Option**”) at its par value plus accrued interest.

Should the Borrower exercise the Call Option, the Loan Trustee and the Bondholders must be informed of this (the Bondholders in writing via the Securities Depository) not more than forty (40) nor less than twenty (20) Banking Days before the date of redemption.

For the avoidance of doubt, each Bondholder may within the Exercise Period elect to exercise its Conversion Right after having received the Borrower’s Call Option notice.

10.3 If a Change of Control Event has occurred, each Bondholder shall at any time in the Change of Control Conversion Period be entitled, at its option, to:

10.3.1 require early redemption of its Bonds at 100% of their par value plus accrued interest; or

10.3.2 convert its Bonds at the Change of Control Conversion Price, which shall be calculated as set out below, but in each case adjusted, if appropriate, under the provisions of clauses 14 and 15 (provided that no adjustment to the Conversion Price will be made in respect of such Change of Control Event other than pursuant to this clause 10.3 in respect of exercise of the conversion right in the Change of Control Conversion Period):

$$COCCP = \frac{RP \times (N - n) + OCP \times n}{N}$$

where:

COCCP is the Change of Control Conversion Price;

RP is the Reference Price;

OCP is the current Conversion Price on the relevant Conversion Date;

N is the number of days from (and including) the Disbursement Date to (but excluding) the Maturity Date; and

n is the number of days from (and including) the Disbursement Date to (but excluding) the date of the Change of Control Event.

To exercise either such option, a Bondholder must, via its VPS account manager, notify the Paying Agent within the Change of Control Conversion Period. For the avoidance of doubt, the aforesaid is an option exercisable at the sole discretion of each Bondholder, and each Bondholder may elect not to exercise such option and to continue to hold its Bonds.

In the event of an early redemption pursuant to this clause 10.3, settlement shall be three (3) Banking Days after the Paying Agent has received such request.

In the event of conversion pursuant to this clause 10.3, the Borrower shall as soon as possible, but in no event later than on the Change of Control Conversion Date, issue to and in the names of the relevant Bondholder the number of Shares which are necessary in

order to fulfil the Borrower's obligations to issue new Shares to the relevant Bondholder pursuant to its Conversion Rights.

The number of Shares required to be issued shall be determined by dividing the principal amount of the Bonds by the Change of Control Conversion Price in effect on the relevant Conversion Date.

The terms and conditions set out in clauses 13 -15 shall (to the extent applicable) apply for any conversion of Bonds to Shares according to this clause 10.3.

11 Interest in the event of late payment

- 11.1** In the event that payment of interest or principal is not made on the relevant Payment Date, the amount outstanding shall bear interest from the Payment Date at an interest rate equivalent to the interest rate according to clause 9 plus 5.00 percentage points per annum.
- 11.2** The outstanding amount shall bear interest as mentioned above until payment is made, whether or not the Loan is declared to be in default pursuant to clause 18.1.1, cf. clauses 18.2 - 18.4.

12 Borrower's acquisition of Borrower's Bonds

The Borrower and each member of the Group shall have the right to acquire and own Bonds.

Borrower's Bonds may, subject to applicable law, at the discretion of the Borrower or the relevant member of the Group be retained by the Borrower or the relevant member of the Group, cancelled or sold.

13 Conversion terms

- 13.1** Each Bondholder may exercise one or more of his Conversion Right(s) at the Conversion Price at any time during the Exercise Period provided that notification thereof is given pursuant to clause 13.4.

Conversion Rights may not be exercised (i) following the giving of notice by the Loan Trustee pursuant to clause 18.3 or (ii) in respect of a Bond which the relevant Bondholder has exercised its right to require the Borrower to redeem pursuant to the terms set forth in this Loan Agreement.

- 13.2** The Conversion Right cannot be separated from the Bond.
- 13.3** The number of Shares to be issued on exercise of a Conversion Right shall be determined by dividing the principal amount of the relevant Bond or Bonds by the Conversion Price in effect on the relevant Conversion Date. The Conversion Price shall be subject to adjustment pursuant to clause 10.3, 14 and 15.
- 13.4** In order to exercise a Conversion Right, the Bondholder shall deliver to the Paying Agent (via its Account Manager) a duly completed, irrevocable and signed exercise notice. Request for conversion takes place by the Bondholder notifying his Account Manager of the number of Bonds which shall be converted. The Account Manager will then promptly forward the request to the Borrower (via the Paying Agent).

13.5 Conversion will be effected by a set-off of the total nominal value of the Bonds to be converted against the issuing of the whole number of Shares resulting from dividing the total nominal value of the Bonds to be converted by the Conversion Price. Any excess amount beyond the whole number of Shares converted by the Bonds shall fall to the Borrower and accordingly fractions of Shares will not be issued or transferred upon exercise of a Conversion Right and no cash payment will be made in lieu thereof. Where Conversion Rights are exercised by a Bondholder in respect of more than one Bond, the number of Shares to be issued will be determined on the basis of the aggregate principal amount of such Bonds.

The Borrower shall pay all (if any) taxes and capital, stamp, issue and registration duties payable in Norway or Bermuda arising on conversion and on the issue and delivery of Shares upon conversion.

Interest accrued since the last Interest Payment Date but not due on a Conversion Date, shall not be paid in cash nor kind to the Bondholders, but shall accrue to the Borrower unless the Conversion Date shall fall on a Payment Date and/or the Maturity Date, then interest due shall be paid to the relevant Bondholder.

13.6 The Borrower shall (if relevant via the Paying Agent) on or with effect from the Conversion Date (i) carry the conversion into effect by issuing the relevant number of new Shares, (ii) ensure the due registration of the new Shares in the Securities Depository (at the account of the converting Bondholder) and listing of the new Shares on the Relevant Stock Exchange (and shall deliver any such documents and do any acts necessary in relation thereto), and (iii) ensure that the Remaining Loan shall be written down.

13.7 Shares issued upon conversion of the Bonds will be fully paid and will in all respects rank *pari passu* with the Shares in issue on the relevant Conversion Date or, in the case of Additional Shares, on the relevant Reference Date, except in any such case for any right excluded by mandatory provisions of applicable law and except that such Shares or, as the case may be, Additional Shares will not rank for any rights, distributions or payments where the record date (or other due date for the establishment of entitlement) for such rights, distributions or payments falls prior to the relevant Conversion Date or, as the case may be, the relevant Reference Date.

14 Adjustment of the Conversion Price

Upon the happening of any of the events described below, the Conversion Price shall be adjusted as follows:

14.1 If and whenever there shall be a consolidation or subdivision of the Shares, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such consolidation or subdivision by the following fraction:

$$\frac{A}{B}$$

where:

A is the aggregate number of Shares in issue immediately before such consolidation or subdivision, as the case may be; and

B is the aggregate number of Shares in issue immediately after, and as a result of, such consolidation or subdivision, as the case may be.

Such adjustment shall become effective on the date the consolidation or subdivision, as the case may be, takes effect.

- 14.2** If and whenever the Borrower shall issue any Shares credited as fully paid to the Shareholders by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve) other than (1) where any such Shares issued instead of the whole or part of a Dividend in cash which the Shareholders would or could otherwise have received or (2) where the Shareholders may elect to receive a Dividend in cash in lieu of such Shares, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue by the following fraction:

$$\frac{A}{B}$$

where:

- A is the aggregate nominal amount of the Shares in issue immediately before such issue; and
- B is the aggregate nominal amount of the Shares in issue immediately after such issue.

Such adjustment shall become effective on the date of issue of such Shares.

- 14.3** If and whenever the Borrower shall pay or make any Dividend to Shareholders, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the relevant Dividend by the following fraction:

$$\frac{A - B}{A}$$

where:

- A is the Current Market Price of one Share on the first date on which the Shares are traded ex- the relevant Dividend on the Relevant Stock Exchange or, in the case of a purchase of Shares or any receipts or certificates representing Shares by or on behalf of the Borrower or any Subsidiary of the Borrower, on which such Shares are purchased or, in the case of a Spin-Off, is the mean of the Volume Weighted Average Prices of a Share for the five consecutive Dealing Days ending on the Dealing Day immediately preceding the first date on which the Shares are traded ex- the relevant Spin-Off; and
- B is the portion of the Fair Market Value, with such portion being determined by dividing the Fair Market Value of the aggregate Dividend by the number of Shares entitled to receive the relevant Dividend (or, in the case of a purchase of Shares or any receipts or certificates representing shares by or on behalf of the Borrower or any Subsidiary of the Borrower, by the number of Shares in issue immediately prior to such purchase), of the Dividend attributable to one Share.

Such adjustment shall become effective on the first date on which the Shares are traded ex- the relevant Dividend on the Relevant Stock Exchange or, in the case of a purchase of Shares or any receipts or certificates representing Shares, on the date such purchase is made or, in the case of a Spin-Off, the first date on which the Shares are traded ex- the relevant Spin-Off.

For the purposes of the above, the Fair Market Value of a Cash Dividend shall (subject as provided in paragraph (a) of the definition of "Dividend" and in the definition of "Fair Market Value") be determined as at the first date on which the Shares are traded ex- the relevant Dividend on the Relevant Stock Exchange, and in the case of a Non-Cash Dividend, the Fair Market Value of the relevant Dividend shall be the Fair Market Value of the relevant Spin-Off Securities or, as the case may be, the relevant property or assets.

"Non-Cash Dividend" means any Dividend which is not a Cash Dividend, and shall include a Spin-Off.

"Cash Dividend" means (i) any Dividend which is to be paid or made in cash (in whatever currency), but other than falling within paragraph (b) of the definition of "Spin-Off" and (ii) any Dividend determined to be a Cash Dividend pursuant to paragraph (a) of the definition of "Dividend", and for the avoidance of doubt, a Dividend falling within paragraph (c) or (d) of the definition of "Dividend" shall be treated as being a Non-Cash Dividend.

- 14.4** If and whenever the Borrower shall issue Shares to Shareholders as a class by way of rights, or issue or grant to Shareholders as a class by way of rights, any options, warrants or other rights to subscribe for or purchase any Shares or any Securities which by their terms carry (directly or indirectly) rights of conversion into, or exchange or subscription for, Shares (or shall grant any such rights in respect of existing Securities so issued) in each case at a price per Share which is less than 95 per cent. of the Current Market Price per Share on the Dealing Day immediately preceding the date of the first public announcement of the terms of the issue or grant of such Shares, options, warrants or other rights, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the number of Shares in issue on the Effective Date;
- B is the number of Shares which the aggregate amount (if any) payable for the Shares issued by way of rights, or for the Securities issued by way of rights, or for the options or warrants or other rights issued by way of rights and for the total number of Shares deliverable on the exercise thereof, would purchase at such Current Market Price per Share; and
- C is the number of Shares issued or, as the case may be, the maximum number of Shares which may be issued upon exercise of such options, warrants or rights calculated as at the date of issue of such options, warrants or rights or upon conversion or exchange or exercise of rights of subscription or purchase in respect thereof at the initial conversion, exchange, subscription or purchase price or rate.

Such adjustment shall become effective on the Effective Date.

"Effective Date" means, in respect of this clause 14.4, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants on the Relevant Stock Exchange.

- 14.5** If and whenever the Borrower shall issue any Securities (other than Shares or options, warrants or other rights to subscribe for or purchase any Shares) to Shareholders as a class by way of rights or grant to Shareholders as a class by way of rights any options,

warrants or other rights to subscribe for or purchase any Securities (other than Shares or options, warrants or other rights to subscribe for or purchase Shares), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date the following fraction:

$$\frac{A - B}{A}$$

where:

- A is the Current Market Price of one Share on the Effective Date; and
- B is the Fair Market Value on the Effective Date of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the Effective Date.

“Effective Date” means, in respect of this clause 14.5, the first date on which the Shares are traded ex- the relevant Securities on the Relevant Stock Exchange.

- 14.6** If and whenever the Borrower shall issue (otherwise than as mentioned in clause 14.4 above) wholly for cash or for no consideration any Shares (other than Shares issued on conversion of the Bonds or on the exercise of any rights of conversion into, or exchange or subscription for or purchase of, Shares) or issue or grant (otherwise than as mentioned in clause 14.4 above) wholly for cash or for no consideration any options, warrants or other rights to subscribe for or purchase any Shares (other than the Bonds), in each case at a price per Share which is less than 95 per cent. of the Current Market Price per Share on the Effective Date, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue or grant by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the number of Shares in issue immediately before the issue of such Shares or the grant of such options, warrants or rights;
- B is the number of Shares which the aggregate consideration (if any) receivable for the issue of such Shares or, as the case may be, for the Shares to be issued or otherwise made available upon the exercise of any such options, warrants or rights, would purchase at such Current Market Price per Share; and
- C is the number of Shares to be issued pursuant to such issue of such Shares or, as the case may be, the maximum number of Shares which may be issued upon exercise of such options, warrants or rights calculated as at the date of issue of such options, warrants or rights.

Such adjustment shall become effective on the Effective Date.

“Effective Date” means, in respect of this clause 14.6, the date of issue of such Shares or, as the case may be, the grant of such options, warrants or rights.

- 14.7** If and whenever the Borrower or any Subsidiary of the Borrower or (at the direction or request of or pursuant to any arrangements with the Borrower or any Subsidiary of the Borrower) any other company, person or entity (otherwise than as mentioned in clause

14.4, 14.5 or 14.6 above) shall issue wholly for cash or for no consideration any Securities (other than the Bonds), which by their terms of issue carry (directly or indirectly) rights of conversion into, or exchange or subscription for, Shares (or shall grant any such rights in respect of existing Securities so issued) or Securities which by their terms might be redesignated as Shares, and the consideration per Share receivable upon conversion, exchange, subscription or redesignation is less than 95 per cent. of the Current Market Price per Share on the Effective Date, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue (or grant) by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the number of Shares in issue immediately before such issue or grant (but where the relevant Securities carry rights of conversion into or rights of exchange or subscription for Shares which have been issued by the Borrower for the purposes of or in connection with such issue, less the number of such Shares so issued);
- B is the number of Shares which the aggregate consideration (if any) receivable for the Shares to be issued or otherwise made available upon conversion or exchange or upon exercise of the right of subscription attached to such Securities or, as the case may be, for the Shares to be issued or to arise from any such redesignation would purchase at such Current Market Price per Share; and
- C is the maximum number of Shares to be issued or otherwise made available upon conversion or exchange of such Securities or upon the exercise of such right of subscription attached thereto at the initial conversion, exchange or subscription price or rate or, as the case may be, the maximum number of Shares which may be issued or arise from any such redesignation.

Provided that if at the time of issue of the relevant Securities or date of grant of such rights (as used in this clause 14.7 the “**Specified Date**”) such number of Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time (which may be when such Securities are converted or exchanged or rights of subscription are exercised or, as the case may be, such Securities are redesignated or at such other time as may be provided) then for the purposes of this clause 14.7, “C” shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such conversion, exchange, subscription, purchase or acquisition or, as the case may be, redesignation had taken place on the Specified Date.

Such adjustment shall become effective on the Effective Date.

“**Effective Date**” means, in respect of this clause 14.7, the date of issue of such Securities or, as the case may be, the grant of such rights.

- 14.8** If and whenever there shall be any modification of the rights of conversion, exchange or subscription attaching to any such Securities (other than the Bonds) as are mentioned in clause 14.7 above (other than in accordance with the terms (including terms as to adjustment) applicable to such Securities upon issue) so that following such modification

the consideration per Share receivable has been reduced and is less than 95 per cent. of the Current Market Price per Share on the Effective Date, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the number of Shares in issue immediately before such modification (but where the relevant Securities carry rights of conversion into or rights of exchange or subscription for Shares which have been issued, purchased or acquired by the Borrower or any Subsidiary of the Borrower (or at the direction or request or pursuant to any arrangements with the Borrower or any Subsidiary of the Borrower) for the purposes of or in connection with such issue, less the number of such Shares so issued, purchased or acquired);
- B is the number of Shares which the aggregate consideration (if any) receivable for the Shares to be issued or otherwise made available upon conversion or exchange or upon exercise of the right of subscription attached to the Securities so modified would purchase at such Current Market Price per Share or, if lower, the existing conversion, exchange or subscription price of such Securities; and
- C is the maximum number of Shares which may be issued or otherwise made available upon conversion or exchange of such Securities or upon the exercise of such rights of subscription attached thereto at the modified conversion, exchange or subscription price or rate but giving credit in such manner as an Independent Financial Adviser shall consider appropriate for any previous adjustment under this clause 14.8 or clause 14.7 above.

Provided that if at the time of such modification (as used in this clause 14.8 the “**Specified Date**”) such number of Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time (which may be when such Securities are converted or exchanged or rights of subscription are exercised or at such other time as may be provided) then for the purposes of this clause 14.8, “C” shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such conversion, exchange or subscription had taken place on the Specified Date.

Such adjustment shall become effective on the Effective Date.

“**Effective Date**” means, in respect of this clause 14.8, the date of modification of the rights of conversion, exchange, subscription, purchase or acquisition attaching to such Securities.

- 14.9** If and whenever the Borrower or any Subsidiary of the Borrower or (at the direction or request of or pursuant to any arrangements with the Borrower or any Subsidiary of the Borrower) any other company, person or entity shall offer any Securities in connection with which offer Shareholders as a class are entitled to participate in arrangements whereby such Securities may be acquired by them (except where the Conversion Price falls to be adjusted under clause 14.2, 14.3, 14.4, 14.6 or 14.7 or clause 10.3 (or would fall to be so

adjusted if the relevant issue or grant was at less than 95 per cent. of the Current Market Price per Share on the relevant Dealing Day) or under clause 14.5) the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the Effective Date by the following fraction:

$$\frac{A - B}{A}$$

where:

- A is the Current Market Price of one Share on the Effective Date; and
- B is the Fair Market Value on the Effective Date of the relevant offer attributable to one Share.

Such adjustment shall become effective on the Effective Date.

“Effective Date” means, in respect of this clause 14.9, the first date on which the Shares are traded ex-rights on the Relevant Stock Exchange.

14.10 Notwithstanding the foregoing provisions, where the events or circumstances giving rise to any adjustment pursuant to this clause 14 have already resulted or will result in an adjustment to the Conversion Price or where the events or circumstances giving rise to any adjustment arise by virtue of any other events or circumstances which have already given or will give rise to an adjustment to the Conversion Price or where more than one event which gives rise to an adjustment to the Conversion Price occurs within such a short period of time that, in the opinion of the Loan Trustee, a modification to the operation of the adjustment provisions is required to give the intended result, such modification shall be made to the operation of the adjustment provisions as may be advised by an Independent Financial Adviser to be in its opinion appropriate to give the intended result.

14.11 For the purpose of any calculation of the consideration receivable or price pursuant to clauses 14.4, 14.6, 14.7 and 14.8, the following provisions shall apply:

14.11.1 the aggregate consideration receivable or price for Shares issued for cash shall be the amount of such cash;

14.11.2 (x) the aggregate consideration receivable or price for Shares to be issued or otherwise made available upon the conversion or exchange of any Securities shall be deemed to be the consideration or price received or receivable for any such Securities and (y) the aggregate consideration receivable or price for Shares to be issued or otherwise made available upon the exercise of rights of subscription attached to any Securities or upon the exercise of any options, warrants or rights shall be deemed to be that part (which may be the whole) of the consideration or price received or receivable for such Securities or, as the case may be, for such options, warrants or rights which are attributed by the Borrower to such rights of subscription or, as the case may be, such options, warrants or rights or, if no part of such consideration or price is so attributed, the Fair Market Value of such rights of subscription or, as the case may be, such options, warrants or rights as at the Effective Date, plus in the case of each of (x) and (y) above, the additional minimum consideration receivable or price (if any) upon the conversion or exchange of such Securities, or upon the exercise of such rights or subscription attached thereto or, as the case may be, upon exercise of such options, warrants or rights and (z) the consideration receivable or price per Share upon the

conversion or exchange of, or upon the exercise of such rights of subscription attached to, such Securities or, as the case may be, upon the exercise of such options, warrants or rights shall be the aggregate consideration or price referred to in (x) or (y) above (as the case may be) divided by the number of Shares to be issued upon such conversion or exchange or exercise at the initial conversion, exchange or subscription price or rate;

14.11.3 if the consideration or price determined pursuant to 14.11.1 or 14.11.2 above (or any component thereof) shall be expressed in a currency other than Norwegian Kroner it shall be converted into Norwegian Kroner at such rate of exchange as may be determined in good faith by an Independent Financial Adviser to be the spot rate ruling at the close of business on the relevant Effective Date; and

14.11.4 in determining consideration or price pursuant to the above, no deduction shall be made for any commissions or fees (howsoever described) or any expenses paid or incurred for any underwriting, placing or management of the issue of the relevant Shares or Securities or otherwise in connection therewith.

14.12 If the Conversion Date in relation to the conversion of any Bond shall be after any consolidation or sub-division as is mentioned in clause 14.1, or after the record date or other due date for the establishment of entitlement for any such issue, distribution, grant or offer (as the case may be) as is mentioned in clauses 14.2, 14.3, 14.4, 14.5 or 14.9, or after any such issue or grant as is mentioned in clause 14.6 and 14.7, in any case in circumstances where the relevant Conversion Date falls before the relevant adjustment becomes effective under clause 14 (such adjustment, a “**Retroactive Adjustment**”), then the Borrower shall (conditional upon the relevant adjustment becoming effective) procure that there shall be issued or delivered to the converting Bondholder, such additional number of Shares (if any) (the “**Additional Shares**”) as, together with the Shares issued or to be issued or delivered on conversion of the relevant Bond (together with any fraction of a Share not so issued), is equal to the number of Shares which would have been required to be issued or delivered on conversion of such Bond if the relevant adjustment (more particularly referred to in the said provisions of clause 14) to the Conversion Price had in fact been made and become effective immediately prior to the relevant Conversion Date. Additional Shares will be delivered to Bondholders not later than 10 Banking Days following the date the relevant Retroactive Adjustment becomes effective (the “**Reference Date**”).

14.13 No adjustment will be made to the Conversion Price where Shares or other Securities (including rights, warrants and options) are issued, offered, exercised, allotted, appropriated, modified or granted to, or for the benefit of, employees or former employees (including Directors holding or formerly holding executive office or the personal service company of any such person) or their spouses or relatives, in each case, of the Borrower or any of its Subsidiaries or any associated company or to trustees to be held for the benefit of any such person, in any such case pursuant to any employees’ share or option scheme.

14.14 On any adjustment, the resultant Conversion Price, if not an integral multiple of USD 0.0001, shall be rounded down to the nearest whole multiple of USD 0.0001. No adjustment shall be made to the Conversion Price where such adjustment (rounded down if applicable) would be less than one per cent. of the Conversion Price then in effect. Any adjustment not required to be made, and/or any amount by which the Conversion Price has been rounded down, shall be carried forward and taken into account in any

subsequent adjustment, and such subsequent adjustment shall be made on the basis that the adjustment not required to be made had been made at the relevant time.

Notice of any adjustments to the Conversion Price shall be given by the Borrower to Bondholders and the Loan Trustee promptly after the determination thereof.

The Conversion Price shall not in any event be reduced to below the nominal value of the Shares and the Borrower undertakes that it shall not take any action, and shall procure that no action is taken, that would otherwise result in an adjustment to the Conversion Price to below such nominal value.

14.15 “**Current Market Price**” means, in respect of a Share at a particular date, the average of the Volume Weighted Average Price of a Share for the five consecutive Dealing Days ending on the Dealing Day immediately preceding such date; provided that if at any time during the said five-dealing-day period the Volume Weighted Average Price shall have been based on a price ex-Dividend (or ex- any other entitlement) and during some other part of that period the Volume Weighted Average Price shall have been based on a price cum-Dividend (or cum- any other entitlement), then:

14.15.1 if the Shares to be issued or transferred do not rank for the Dividend (or entitlement) in question, the Volume Weighted Average Price on the dates on which the Shares shall have been based on a price cum-Dividend (or cum- any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such Dividend or entitlement per Share as at the Effective Date relating to such Dividend (or entitlement); or

14.15.2 if the Shares to be issued or transferred do rank for the Dividend (or entitlement) in question, the Volume Weighted Average Price on the dates on which the Shares shall have been based on a price ex-Dividend (or ex- any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof increased by an amount equal to the Fair Market Value of any such Dividend or entitlement per Share as at the Effective Date relating to such Dividend (or entitlement),

and provided further that, if on each of the said five Dealing Days the Volume Weighted Average Price shall have been based on a price cum-Dividend (or cum- any other entitlement) in respect of a Dividend (or other entitlement) which has been declared or announced but the Shares to be issued do not rank for that Dividend (or other entitlement) the Volume Weighted Average Price on each of such dates shall for the purposes of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such Dividend or entitlement per Share as at the date of the first public announcement of such Dividend or entitlement,

and provided further that, if the Volume Weighted Average Price of a Share is not available on one or more of the said five Dealing Days, then the average of such Volume Weighted Average Prices which are available in that five-dealing-day period shall be used (subject to a minimum of two such prices) and if only one, or no, such Volume Weighted Average Price is available in the relevant period the Current Market Price shall be determined in good faith by an Independent Financial Adviser.

“**Dealing Day**” means a day on which the Relevant Stock Exchange is open for business, (other than a day on which the Relevant Stock Exchange is scheduled to or does close prior to its regular weekday closing time).

“**Dividend**” means any dividend or any form of distribution to Shareholders (including a Spin-Off) whether of cash, assets or other property, and whenever paid or made and however described (and for these purposes a distribution of assets includes without limitation an issue of Shares, or other Securities credited as fully or partly paid up by way of capitalisation of profits or reserves) provided that:

- (a) where a Dividend in cash is announced which is to be, or may at the election of a Shareholder or Shareholders be, satisfied by the issue or delivery of Shares or other property or assets, or where a capitalisation of profits or reserves is announced which is to be, or may at the election of a Shareholder or Shareholders be, satisfied by the payment of the Dividend in cash, then for the purposes of this definition the Dividend in question shall be treated as a Cash Dividend of the greater of (i) such cash amount and (ii) the Fair Market Value (on the date of the first public announcement of such Dividend or capitalisation (as the case may be) or if later, the date on which the number of Shares (or amount of property or assets, as the case may be) which may be issued or delivered is determined), of such Shares or other property or assets;
- (b) any issue of Shares falling within clause 14.2 shall be disregarded;
- (c) a purchase or redemption or buy back of share capital of the Borrower by the Borrower or any Subsidiary of the Borrower shall not constitute a Dividend unless, in the case of purchases, redemptions or buy backs of Shares by or on behalf of the Borrower or any of its Subsidiaries, the weighted average price per Share (before expenses) on any one day (a “**Specified Share Day**”) in respect of such purchases, redemptions or buy backs (translated, if not in Norwegian Kroner, into Norwegian Kroner at the spot rate ruling at the close of business on such day as determined in good faith by an Independent Financial Adviser (or if no such rate is available on that date, the equivalent rate on the immediately preceding date on which such rate is available), exceeds by more than 5 per cent. the average of the closing prices of the Shares on the Relevant Stock Exchange (as published by or derived from the Relevant Stock Exchange) on the five Dealing Days immediately preceding the Specified Share Day or, where an announcement (excluding, for the avoidance of doubt for these purposes, any general authority for such purchases approved by a general meeting of Shareholders or any notice convening such a meeting of Shareholders) has been made of the intention to purchase Shares at some future date at a specified price, on the five Dealing Days immediately preceding the date of such announcement, in which case such purchase shall be deemed to constitute a Dividend in Norwegian Kroner to the extent that the aggregate price paid (before expenses) in respect of such Shares purchased by the Borrower or, as the case may be, any of its Subsidiaries (translated where appropriate into Norwegian Kroner as provided above) exceeds the product of (i) 105 per cent. of the average closing price of the Shares determined as aforesaid and (ii) the number of Shares so purchased; and
- (d) if the Borrower or any of its Subsidiaries shall purchase any receipts or certificates representing Shares, the provisions of paragraph (c) shall be applied in respect thereof in such manner and with such modifications (if any) as shall be determined in good faith by an Independent Financial Adviser.

“**Fair Market Value**” means, with respect to any property on any date, the fair market value of that property as determined in good faith by an Independent Financial Adviser provided,

that (i) the Fair Market Value of a Cash Dividend paid or to be paid shall be the amount of such Cash Dividend; (ii) the Fair Market Value of any other cash amount shall be the amount of such cash; (iii) where Securities, Spin-Off Securities, options, warrants or other rights are publicly traded in a market of adequate liquidity (as determined by an Independent Financial Adviser), the fair market value (a) of such Securities or Spin-Off Securities shall equal the arithmetic mean of the daily Volume Weighted Average Prices of such Securities or Spin-Off Securities and (b) of such options, warrants or other rights shall equal the arithmetic mean of the daily closing prices of such options, warrants or other rights, in the case of both (a) and (b) during the period of five trading days on the relevant market commencing on such date (or, if later, the first such trading day such Securities or Spin-Off Securities, options, warrants or other rights are publicly traded); and (iv) in the case of (i) converted into Norwegian Kroner (if declared or paid in a currency other than Norwegian Kroner) at the rate of exchange used to determine the amount payable to Shareholders who were paid or are to be paid or are entitled to be paid the Cash Dividend in Norwegian Kroner; and in any other case, converted into Norwegian Kroner (if expressed in a currency other than Norwegian Kroner) at such rate of exchange as may be determined in good faith by an Independent Financial Adviser to be the spot rate ruling at the close of business on that date (or if no such rate is available on that date the equivalent rate on the immediately preceding date on which such a rate is available).

“Independent Financial Adviser” means an independent investment bank of international repute appointed by the Borrower and approved in writing by the Loan Trustee or, if the Borrower fails to make such appointment and such failure continues for a reasonable period (as determined by the Loan Trustee) and the Loan Trustee is indemnified and/or secured as to costs to its satisfaction against the costs, fees and expenses of such adviser, appointed by the Loan Trustee following notification to the Borrower.

“Prevailing Rate” means, in respect of any Dealing Day, in respect of any currencies the spot rate of exchange between the relevant currencies prevailing at or around 12 noon (CET) on that Dealing Day as appearing on or derived from the Relevant Page or, if such a rate cannot be determined at such time, the rate prevailing as at or about 12 noon (CET) on the immediately preceding day on which such rate can be so determined.

“Relevant Page” means the relevant page on Bloomberg or such other information service provider that displays the relevant information.

“Relevant Stock Exchange” means the Oslo Stock Exchange or, if at the relevant time, the Shares are not at that time listed and admitted to trading on the Oslo Stock Exchange, the principal stock exchange or securities market on which the Shares are then listed or quoted or dealt in.

“Securities” means any securities including, without limitation, Shares, or options, warrants or other rights to subscribe for or purchase or acquire Shares.

“Spin-Off” means:

- (a) a distribution of Spin-Off Securities by the Borrower to Shareholders as a class; or
- (b) any issue, transfer or delivery of any property or assets (including cash or shares or securities of or in or issued or allotted by any entity) by any entity (other than the Borrower) to Shareholders as a class, pursuant in each case to any arrangements with the Borrower or any of its Subsidiaries.

“Spin-Off Securities” means equity share capital of an entity other than the Borrower or options, warrants or other rights to subscribe for or purchase equity share capital of an entity other than the Borrower.

“Volume Weighted Average Price” means, in respect of a Share, Security or, as the case may be, a Spin-Off Security on any Dealing Day, the volume-weighted average price of a Share, Security or, as the case may be, a Spin-Off Security published by or derived (in the case of a Share) from Bloomberg page VAP or (in the case of a Security or Spin-Off Security) from the principal stock exchange or securities market on which such Securities or Spin-Off Securities are then listed or quoted or dealt in, if any or, in any such case, such other source as shall be determined to be appropriate by an Independent Financial Adviser on such Dealing Day, provided that if on any such Dealing Day where such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price of a Share, Security or a Spin-Off Security, as the case may be, in respect of such Dealing Day shall be the Volume Weighted Average Price, determined as provided above, on the immediately preceding Dealing Day on which the same can be so determined.

References to any issue or offer or grant to Shareholders “as a class” or “by way of rights” shall be taken to be references to an issue or offer or grant to all or substantially all Shareholders other than Shareholders to whom, by reason of the laws of any territory or requirements of any recognised regulatory body or any other stock exchange or securities market in any territory or in connection with fractional entitlements, it is determined not to make such issue or offer or grant.

In making any calculation or determination of Current Market Price or Volume Weighted Average Price, such adjustments (if any) shall be made as an Independent Financial Adviser considers appropriate to reflect any consolidation or sub-division of the Shares or any issue of Shares by way of capitalisation of profits or reserves, or any like or similar event.

- 14.16** If changes are made in the share capital other than those mentioned above, which are unfavourable to the Bondholders compared to the Shareholders, the Loan Trustee and the Borrower shall agree on a new Conversion Price. This also applies to other transactions, which are unfavourable to the Bondholders compared to the Shareholders.
- 14.17** If an adjustment of the Conversion Price requires a conversion of any currency to USD, the exchange rate shall be the Prevailing Rate on the date triggering such adjustments. For the avoidance of doubt, when calculating weighted averages over several days, each day should apply the Prevailing Rate for that day.

15 Merger and de-merger

- 15.1** In the case of any consolidation, amalgamation or merger of the Borrower with any other corporation (other than a consolidation, amalgamation or merger in which the Borrower is the continuing corporation), or in the case of any sale or transfer of all, or substantially all, of the assets of the Borrower, the Borrower will take such steps as shall be required by the Loan Trustee (including the execution of an agreement supplemental to or amending the Loan Agreement) to ensure that each Bond then outstanding will (during the period in which Conversion Rights may be exercised) be converted into the class and amount of shares and other securities and property receivable upon such consolidation, amalgamation, merger, sale or transfer by a holder of the number of Shares which would

have become liable to be issued upon exercise of Conversion Rights immediately prior to such consolidation, amalgamation, merger, sale or transfer. Such supplemental agreement will provide for adjustments which will be as nearly equivalent as may be practicable to the adjustments provided for in clause 14. The above will apply, *mutatis mutandis* to any subsequent consolidations, amalgamations, mergers, sales or transfers.

- 15.2** The provisions in this clause 15 have no limitation on the creditor's right of objection to the merger or de-merger.

16 Covenants

- 16.1** During the term of the Loan the Borrower shall comply with the following information covenants, unless the Loan Trustee (or the Bondholders' meeting, as the case may be) has agreed in writing to waive any covenant, and then only to the extent of such waiver, and on the terms and conditions set out in such waiver:

- 16.1.1** immediately inform the Loan Trustee of any Event of Default as well as of any event or circumstance that may lead to an Event of Default,
- 16.1.2** of its own accord, make its Financial Statements and Quarterly Financial Reports in the English language available on the Borrower's website (alternatively by sending them to the Loan Trustee) as soon they are available, and not later than 180 days after the end of the financial year and not later than 60 days after the end of the relevant interim report period,
- 16.1.3** at the request of the Loan Trustee send a report outlining the balance of Borrower's Bonds,
- 16.1.4** forward to the Loan Trustee copies of any creditors' notifications of the Borrower announced publicly, including but not limited to; mergers, demergers and reduction of shareholders capital,
- 16.1.5** at the request of the Loan Trustee provide the documents and information necessary to maintain the listing and quotation of the Bonds on the Exchange (if applicable) and to otherwise enable the Loan Trustee to carry out its rights and duties pursuant to the Loan Agreement and applicable laws and regulations,
- 16.1.6** within a reasonable time limit provide information about the Borrower's financial condition as the Loan Trustee may reasonably request,
- 16.1.7** in connection with reporting under 16.1.2, of its Financial Statements deliver to the Loan Trustee, (once a year) within the time periods specified in Clause 16.1.2, a Compliance Certificate confirming to the Loan Trustee the Borrower's compliance with this clause 16,
- 16.1.8** of its own accord, inform the Loan Trustee of any event that results in an adjustment of the Conversion Price promptly thereafter, and
- 16.1.9** following the occurrence of a Change of Control Event, immediately after the Borrower becomes aware of it, notify the Bondholders (via the Securities Depository), the Loan Trustee and (if listed) the Exchange thereof. The notice shall specify (i) the applicable Change of Control Conversion Price and early redemption price, (ii) the Bondholders' entitlement to exercise their Conversion Rights or to exercise their right to require redemption of the Bonds, (iii) the Change of Control Conversion Period and (iv) details concerning the Change of Control Event.

- 16.2** During the term of the Loan, the Borrower shall (unless the Loan Trustee or the Bondholders' meeting (as the case may be) in writing has agreed to otherwise) comply with the following general covenants:
- 16.2.1** not cease to carry on its business,
- 16.2.2** not, and ensure that no Material Subsidiary, shall:
- (i) sell or dispose of all or a substantial part of its assets or operations;
 - (ii) change the nature of its business; or
 - (iii) merge, demerge or in any other way restructure its business;
- in a manner which may have a Material Adverse Effect,
- 16.2.3** not, until the expiry of 60 days following the Date of Pricing, issue (or agree to issue) any Shares, save pursuant to the Borrower's employee share or option scheme or pursuant to exercise of Conversion Rights, without the prior written consent of the Lead Managers,
- 16.2.4** not, until the expiry of 60 days following the Date of Pricing, issue (or agree to issue) any securities (or any other instrument) convertible into or exercisable or exchangeable for Shares or any derivative securities having an equivalent effect, save pursuant to the Borrower's employee option scheme, without the prior written consent of the Lead Managers, and
- 16.2.5** not permit any Material Subsidiary to engage in, directly or indirectly, any transaction with any party, except in the ordinary course of such Material Subsidiary's business and upon fair and reasonable terms that are no less favourable to the Material Subsidiary than those which might be obtained in an arm's length transaction at the time.
- 16.3** During the term of the Loan, the Borrower shall ensure that all Shares issued upon exercise of the Conversion Right in respect of the Bonds shall be registered in the Securities Depository on the Conversion Date and shall be listed on the Relevant Stock Exchange as soon as practicable thereafter, and the Borrower shall do any and all acts necessary to accomplish the registration of the Shares on the Relevant Stock Exchange and in the Securities Depository.
- 16.4** During the term of the Loan, the Borrower shall use its best endeavours to ensure that the Shares shall remain listed on the Relevant Stock Exchange.
- 16.5** During the term of the Loan, the Borrower will not, and will ensure that none of its Material Subsidiaries will create, or have outstanding, any mortgage, charge, lien, pledge or other security interest, upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure:
- 16.5.1** any Relevant Indebtedness, or
- 16.5.2** any guarantee or indemnity in respect of any Relevant Indebtedness,
- without at the same time or prior thereto according to the Bonds either (a) the same security as is created or subsisting to secure any such Relevant Indebtedness as referred to in sub-clause 16.5.1 or any such guarantee or indemnity as referred to in sub-clause 16.5.2, or (b) such other security as either (i) the Loan Trustee shall in its absolute

discretion deem not materially less beneficial to the interest of the Bondholders or (ii) shall be approved by a Bondholders' meeting.

- 16.6** During the term of the Loan, the Borrower shall not take any action, and shall procure that no action is taken, that would otherwise result in a reduction of the Conversion Price such that Shares would fall to be issued at a discount to their par value.

17 Fees and expenses

- 17.1** The Borrower shall pay an annual fee to the Loan Trustee, the amount of which is set out in a separate agreement between the Borrower and the Loan Trustee.
- 17.2** The Borrower shall cover all expenses in connection with the Loan, such as preparation of the Loan Agreement, the listing of the Bonds on the Exchange (if applicable) and registration and administration of the Loan in the Securities Depository in accordance with the agreement between the Borrower and the Securities Depository.
- 17.3** The Borrower shall cover any and all public fees in connection with the Loan. Any public fees or taxes on the sales of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise decided by law or regulation.
- 17.4** All payments in respect of the Bonds by or on behalf of the Borrower shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessment or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within any jurisdiction or any authority thereof having power to tax, unless such withholding or deduction is required by law. In that event the relevant payment will be made subject to such withholding or deduction. The Borrower will not be required to pay any additional or further amounts in respect of such withholding or deduction.
- 17.5** In addition to the fee of the Loan Trustee pursuant to clause 17.1 and normal expenses pursuant to clauses 17.2 and 17.3, the Borrower shall on demand cover extraordinary expenses incurred by the Loan Trustee in connection with the Loan, as determined in separate agreement between the Borrower and the Loan Trustee. See however clause 22.2.

18 Events of Default

- 18.1** The Loan may be declared by the Loan Trustee to be in default upon occurrence of any of the following events (which shall be referred to as an "**Event of Default**") if:

18.1.1 Non-payment

The Borrower fails to fulfil any payment obligation due under this Loan Agreement or any Finance Document when due, unless payment in full is made within five (5) Banking Days following the original due date.

18.1.2 Breach of other obligations

The Borrower fails to duly perform any other covenant or obligation pursuant to this Loan Agreement or any of the Finance Documents, unless such failure is remedied within fourteen (14) days after notice thereof is given to the Borrower by the Loan Trustee.

18.1.3 Cross acceleration

Any of the following occurs in respect of the Borrower or any other member of the Group (excluding Independent Tanker Corporation Limited) (after the expiry of any applicable grace period and/or waiver period):

- (a) any of its Financial Indebtedness is not paid when due;
- (b) any of its Financial Indebtedness:
 - (i) becomes prematurely due and payable; or
 - (ii) is placed on demand;in each case, as a result of the occurrence of an event of default (howsoever described); or
- (c) any commitment for its Financial Indebtedness is cancelled or suspended as a result of the occurrence of an event of default or any provision having a similar effect (however described),

unless the aggregate amount of all such Financial Indebtedness falling within all or any of paragraphs (a) to (c) above is less than USD 25,000,000 or its equivalent.

18.1.4 Misrepresentations

Any representation, warranty or statement made under this Loan Agreement or in connection therewith is or proves to have been incorrect, inaccurate or misleading in any material respect when made or deemed to have been made.

18.1.5 Insolvency

If the Borrower or a Material Subsidiary becomes subject to:

- (i) the suspension of payments, a moratorium of any indebtedness, insolvency or insolvency proceedings, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) other than (in the case of a Material Subsidiary) solvent liquidation or reorganisation,
- (ii) a composition, compromise, assignment or arrangement with any creditor, having an adverse effect on the Borrower's ability to perform its obligations hereunder,
- (iii) the appointment of a liquidator (other than (in the case of a Material Subsidiary) in respect of a solvent liquidation), receiver, administrative receiver, administrator, compulsory manager or other similar officer of any of its assets, or
- (iv) enforcement of any security over any of its assets.

18.1.6 Creditors' process

The Borrower or a Material Subsidiary becomes subject to creditors' process or enforcement of a security interest effecting any asset(s) of the Group having an aggregate value of at least USD 20,000,000 (or its equivalent) and is not discharged within the statutory limit applicable in the jurisdiction where such attachment, distress or execution was commenced (or, if no such period is provided for, 35 (thirty-five) days).

18.1.7 Dissolution, appointment of liquidator or analogous proceedings

The Borrower or a Material Subsidiary is resolved to be dissolved or a liquidator, administrator or the like is appointed or requested to be appointed in respect of the Borrower or any Material Subsidiary (other than (in the case of a Material Subsidiary) in respect of a solvent liquidator).

18.1.8 Impossibility or illegality

It is or becomes impossible or unlawful for the Borrower to fulfil or perform any of the terms of the Finance Documents to which it is a party.

18.1.9 Litigation

There is current, pending or threatened any claims, litigation, arbitration or administrative proceedings against the Borrower or any member of the Group (excluding Independent Tanker Corporation Limited) which might, if adversely determined, in the reasonable opinion of the Loan Trustee, after consultations with the Borrower, be likely to have a Material Adverse Effect.

18.1.10 Material adverse change

Any other event or series of events occurs which, in the reasonable opinion of the Loan Trustee, after consultation with the Borrower, is likely to have a material adverse effect on the ability of the Borrower to satisfy its obligations hereunder.

18.2 In the event that one or more of the circumstances mentioned in clause 18.1 occurs and is continuing, the Loan Trustee can, in order to protect the interests of the Bondholders, declare that a default has occurred.

18.3 In the event that one or more of the circumstances mentioned in clause 18.1 occurs and is continuing, the Loan Trustee shall declare that a default has occurred if:

18.3.1 the Loan Trustee receives a demand in writing with respect to the above from Bondholders representing at least 1/5 of the Outstanding Loan, and the Bondholders' meeting has not decided on other solutions, or

18.3.2 the Bondholders' meeting has decided to declare the Loan in default.

18.4 In the event that one or more of the circumstances mentioned in clause 18.1 occurs and is continuing, the Loan Trustee can, either in the relevant notice of default or at any time subsequent thereto while the relevant default continues, declare the entire Remaining Loan including accrued interest and expenses to be due for immediate payment. The Loan Trustee may at his discretion, on behalf of the Bondholders, take every measure necessary to recover the Loan, and all other amounts outstanding under the Loan Agreement.

18.5 In the event that one or more of the circumstances mentioned in clause 18.1 occurs and is continuing, the Loan Trustee shall, either in the relevant notice of default or at any time subsequent thereto while the relevant default continues, declare the entire Remaining Loan including accrued interest and costs to be in default and due for payment if:

18.5.1 the Loan Trustee receives a demand in writing with respect to the above from Bondholders representing at least 1/5 of the Outstanding Loan, and the Bondholders' meeting has not decided on other solutions, or

18.5.2 the Bondholders' meeting has decided to declare the Loan due for payment.

In the case of either 18.4 or 18.5 above the Loan Trustee shall on behalf of the Bondholders take every measure necessary to recover the Remaining Loan. The Loan Trustee can request satisfactory security for anticipated expenses from those Bondholders who requested that the declaration of default be made pursuant to sub clause 18.5.1) above and/or those who voted in favour of the decision pursuant to sub clause 18.5.2) above.

- 18.6** In the event that the Loan Trustee pursuant to the terms of clauses 18.4 or 18.5 declares the Loan to be in default and due for payment, the Loan Trustee shall immediately deliver to the Borrower a notice demanding payment of interest and principal due to the Bondholders under the Loan including accrued interest and interest on overdue amounts and, in the case of the Borrower, expenses.
- 18.7** Unless the Bondholders' Meeting decides otherwise as a result of the Loan Trustee either (i) being refused legal capacity to act on behalf of the Bondholders or (ii) declaring that it believes it does not have standing to bring a claim on behalf of the Bondholders, the Bondholders may not, based on this Loan Agreement, act directly towards the Borrower and may not themselves institute legal proceedings against the Borrower; provided, however, that nothing in this Clause 18.7 shall restrict the ability of Bondholders to exercise their other individual rights derived from this Loan Agreement.

19 Authority of the Bondholders' meeting and the Loan Trustee

- 19.1** A Bondholders' meeting may make decisions in all questions concerning the Loan and the Bonds, such as:

19.1.1 change of Loan Trustee,

19.1.2 change of Borrower,

19.1.3 changes to the Loan Agreement regarding interest, payment, maturity or other conditions,

19.1.4 changes in the Borrower's corporate structure, such as mergers, demergers, capital reduction or conversion,

19.1.5 approve the sale or other transactions concerning the Borrower's assets or security for the Loan,

19.1.6 declaring the Loan to be in default.

The Bondholders' meeting may attach conditions to its decisions.

The Bondholders' meeting cannot make decisions that give certain Bondholders or others an unreasonable advantage at the expense of other Bondholders.

- 19.2** The Loan Trustee can, subject as aforesaid, on its own make a decision as mentioned in clause 19.1.4 and 19.1.5, provided that:

19.2.1 the changes are not, in the judgement of the Loan Trustee, of significant importance for the fulfilment of the Loan Agreement, or

19.2.2 any security provided by the Borrower in connection with the change will, in the judgement of the Loan Trustee, represent adequate security for the fulfilment of the Loan Agreement.

The Loan Trustee can make a decision regarding other changes in the Loan Agreement as mentioned in clause 19.1.3, provided that the matters in question are, in the judgment of the Loan Trustee, of minor importance to the Bondholders' financial and legal rights in the Loan. Before such a decision is made, the Bondholders shall be notified in writing through the Securities Depository. The notification shall clearly describe the proposal and the opinion of the Loan Trustee of it, and shall also inform that the proposal cannot be approved by the Loan Trustee alone if any Bondholder submits a written protest against the proposal, and such protest is dispatched within a time limit which shall not be shorter than five (5) Banking Days from the dispatchment of the notification.

The Loan Trustee may attach conditions to its decision.

The Loan Trustee cannot make a decision under the Loan Agreement that gives certain Bondholders or others unreasonable advantages at the expense of other Bondholders.

- 19.3** The Loan Trustee is free, subject as aforesaid, to submit any question to the Bondholders' meeting.
- 19.4** The Loan Trustee has the right and obligation to implement all decisions validly made at the Bondholders' meeting.
- 19.5** The Borrower, the Bondholders and - if the Bonds are listed - the Exchange shall be notified of decisions made in accordance with clauses 19.1 and 19.2 as soon as possible and in a suitable manner.

20 Procedural rules

- 20.1** A Bondholders' meeting shall be held at the request of:

- 20.1.1** the Borrower,

- 20.1.2** Bondholders representing at least 1/10 of the Outstanding Loan or

- 20.1.3** the Exchange - if the Bonds are listed - or

- 20.1.4** the Loan Trustee.

A request of a Bondholders' meeting shall be made in writing and clearly state the matters to be discussed and the provisions of this Loan Agreement on which the request is based. The request shall be sent to the Loan Trustee.

- 20.2** The Bondholders' meeting shall be summoned by the Loan Trustee pursuant to the provisions of clause 20.3. Simultaneously with the decision to summon the Bondholders' meeting, the Loan Trustee can demand that the Borrower does not increase the Outstanding Loan.

If the Loan Trustee has not complied with a valid request for a Bondholders' meeting as set forth in clause 20.1 within five (5) Banking Days after having received such request, then the Borrower and the relevant Bondholder(s) and - if the Bonds are listed - the Exchange have the right themselves to summon the meeting pursuant to the provisions of clause 20.3.

- 20.3** The summons to a Bondholders' meeting shall be dispatched and if necessary notified at the latest five (5) Banking Days before the date of the meeting.

The summons shall be effected by written notification through the Securities Depository to every Bondholder with known place of residence and - if the Bonds are listed - the

Exchange for publication. The notification through the Securities Depository shall also state the number of Bonds in the Loan (print-out) owned by the Bondholder in question at the time the print-out is made.

The summons shall clearly state the matters to be discussed at the Bondholders' meeting, and the provisions of this Loan Agreement on which the request is based and inform that the relevant documents are available from the Loan Trustee, the Borrower or at such other place as stated in the summons. If any change of the Loan Agreement has been proposed, the main content of the proposal shall be stated in the summons.

The meeting can only make decisions regarding the matters which were stated in the summons, unless all the Bondholders in the Outstanding Loan agree otherwise subject to the provisions hereof.

If in order to make a valid decision it is necessary, pursuant to clause 21, to hold a new Bondholders' meeting and discuss the matter a second time, such new Bondholders' meeting cannot be summoned before the first meeting has been held. The summons to the second meeting shall inform of the turnout and result of the vote at the first Bondholders' meeting.

- 20.4** The meeting shall be held at the premises of the Loan Trustee or at premises designated by the Loan Trustee.

The meeting shall be presided over by the Loan Trustee, unless the Bondholders' meeting decides otherwise. If the Loan Trustee is not present, the meeting shall be presided over by a Bondholder or representative of the Bondholders, elected by the Bondholders.

The minutes of the meeting shall be kept, showing the Bondholders present - personally or by proxy - as well as how many votes each Bondholder can cast. Further, the decisions made at the meeting, as well as the result of the vote, shall be recorded. The minutes shall be signed by the chairman and two Bondholders or proxies. The minutes shall be kept in a safe manner by the Loan Trustee, and shall be available to the Bondholders.

- 20.5** Bondholders, the Borrower, the Loan Trustee and - if the Bonds are listed - the Exchange have the right to attend the Bondholders' meeting. The Bondholders' meeting can grant entrance to the meeting to other parties. The participants at the meeting have the right to meet with an advisor and/or by proxy.

- 20.6** At the Bondholders' meeting each Bondholder has one vote for each Bond he owns. The notification of the number of Bonds in the Loan (print-out) which was sent to each Bondholder through the Securities Depository in the summons to the meeting, see clause 20.3, serves as proof of ownership of the Bonds and of each owner's right to vote. In the event that Bonds have been transferred after the print-out was made, the new Bondholder must bring to the meeting the original summons and the print-out, endorsed so as to document the transfer.

The Borrower's Bonds and/or any Bonds (i) controlled directly or indirectly by any party over whom the Borrower has Decisive Influence or any party who has Decisive Influence over the Borrower or any of its (direct or indirect) Subsidiaries, and/or (ii) controlled by any party with whom the Borrower must be assumed to be acting in concert with in the exercise of Bondholders' rights according to this Loan Agreement, do not give the right to vote and are not taken into account when determining the number of voting Bonds.

In case of doubt, the Bondholders' meeting decides which Bondholders can vote and how many votes each one has.

- 20.7** In order for the Bondholders' meeting to be able to make valid decisions, Bondholders representing at least 5/10 of the Outstanding Loan must be represented, see however clause 21.

Valid decisions may be made by a simple majority, see however clause 20.8.

- 20.8** In the following matters a majority of 2/3 of the aggregate principal amount of the Bonds represented at the meeting must vote in favour of the decision:

20.8.1 change of the Loan Trustee,

20.8.2 change of Borrower,

20.8.3 changes in the Loan Agreement's conditions, including interest, maturity, term and security/collateral, or

20.8.4 corporate or business changes in the Borrower which are of significant importance for the fulfilment of the Loan Agreement.

- 20.9** In all matters where unanimity is not attained, the voting shall be in writing and the number of votes shall be recorded in the minutes of the meeting. In the case of a tie in the votes, the matter shall be decided by the chairman, even if he is not a Bondholder or proxy.

Decisions made at a Bondholders' meeting which entail changes to the Loan Agreement shall be attached to the Loan Agreement in the form of a certified copy of the minutes of the meeting.

21 Repeated Bondholders' meeting

In the event that less than 5/10 of the Outstanding Loan are represented, a valid decision may not be made at the first Bondholders' meeting at which the matter is discussed. After a new meeting has been summoned and the matter discussed a second time, a valid decision may be made pursuant to the voting rules set forth above and in such event a valid decision may be made if at least 2/10 of the Outstanding Loan are represented.

22 Change of Loan Trustee

- 22.1** In the event that the Borrower or Bondholders in accordance with sub-clause 19.1.1 wish to replace the Loan Trustee, or a change of Loan Trustee is necessary according to law, regulation or ordinance, or the Loan Trustee has requested such change, the Loan Trustee shall immediately summon a Bondholders' meeting to discuss the matter.

The Loan Trustee shall put before the Bondholders' meeting a proposal for a new loan trustee. The Bondholders, the Borrower and the Exchange - if the Bonds are listed - can submit proposals.

The Bondholders and the Exchange - if the Bonds are listed - shall after the Bondholders' meeting, be notified of the decision and the date on which the change of loan trustee becomes effective.

- 22.2** The Loan Trustee shall act as Loan Trustee until a new loan trustee has been elected. In the event that the Loan Trustee does not act properly and the interests of the Bondholders suffer, the Exchange may appoint a temporary loan trustee. The cost of the temporary loan

trustee shall be covered by the Borrower pursuant to sub-clause 17.5, but may be recovered wholly or in part from the former loan trustee if the change is due to breach of the loan trustee's duties under the Loan Agreement, or other circumstances for which the loan trustee is responsible.

22.3 The Loan Trustee shall co-operate so that the new loan trustee is given, without undue delay after the Bondholders' meeting, the documents and information necessary to perform his functions and duties under the Loan Agreement. The Loan Trustee shall provide a summary of the following up of conditions of the Loan Agreement.

23 Limitation

Claims for interest and principal shall be limited in time pursuant to the Norwegian Act relating to the Limitation Period for Claims of May 18, 1979 nr. 18.

24 Dispute resolution and legal venue

24.1 Disputes arising out of or in connection with the Loan Agreement which are not resolved amicably, shall be resolved in accordance with Norwegian law and in the Norwegian courts.

24.2 Legal suits shall be served at the competent legal venue of the Loan Trustee.

Oslo, 12 April, 2010

Frontline Ltd
Borrower

Norsk Tillitsmann ASA
Loan Trustee

.....

.....

(name in block letters)

(name in block letters)

The Loan Agreement has been executed in 2 copies (originals), of which the Borrower and the Loan Trustee shall keep one each.

Appendix 1
COMPLIANCE CERTIFICATE

Norsk Tillitsmann ASA
P.O. Box 1470 Vika
N-0116 Oslo
Norway

Fax: + 47 22 87 94 10
E-mail: mail@trustee.no

[date]

Dear Sirs,

Frontline Ltd Loan Agreement 2010/2015 - ISIN NO0010571490

We refer to the Loan Agreement for the above mentioned Bond Issue made between Norsk Tillitsmann ASA as Bond Trustee on behalf of the Bondholders, and the undersigned as Issuer under which clause 16.1.7 a Compliance Certificate shall be issued. This letter constitutes the Compliance Certificate.

Capitalised words and expressions are used herein as defined in the Loan Agreement.

With reference to 16.1.7 of the Loan Agreement we hereby certify that:

1. all information contained herein is true and accurate; and
2. we are in compliance with all covenants set out in the Loan Agreement clause 16 and no Event of Default has occurred since the date of the last Financial Statements or the last Compliance Certificate submitted to you.

Yours faithfully,

Frontline Ltd

Name of authorised person